Sitronix 8016.TW

Sitronix Technology Corp.

2Q 2024 Results

Investor Presentation

2024/Sep

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About Sitronix Group

Mission

"Achieve the highest level of customer satisfaction with the most competitive cost and quality technology."

Company Profile
Sitronix Technology Corp Group
Ticker: 8016.TW
Established / Listed 1992 / 2003
Headquarter: Taiwan Hsinchu
Shares Outstanding* 120 millions
Market Cap* US$0.83b / NT$26.67b
Shareholders* Foreign Investors 26.01%, local funds 22.06%
*as of 2024/8/9

Business Model

- A global market leader in small size display driver IC (DDIC) holds a dominant position in AIoT & Industrial markets.
- Innovate Zerocap® technology.
- Consistently incubating new business to boost future growth.

Market Status

- **AIoT device DDI:** a green-product pioneer with Zerocap® solutions.
- **Industrial DDI:** enjoy a long-tail market with stable profit.
- **Sensor IC:** a major optical sensor supplier of Android smartphones.
- **Automotive DDI:** a niche market player in medium-sized DDI products.

Group members

Sales 31%

AIoT Device
- Wearable devices
- Consumer electronics
- Feature phone

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Sales 26%

Sensors
- Optical sensors
- MEMS sensors

Subsidiary

sensortek

Industrial
- Office Automation
- Industrial Instruments
- Portable Medical Devices

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Sales 17%

Automotive
- Cluster Display
- Navigation Display
- Center Information Display

Subsidiary

FORCELEAD

Sales 18%

Consolidated Revenue Update

- **2024 YTD:** as of July 2024, accumulated unaudited consolidated revenue is NT$ 10,023,634 thousand, an increase of 6.76% YoY.
- **2Q24:** revenue increased by 5.49 % QoQ and decreased 0.74% YoY.
- 2023 FY consolidated revenue is NT $16,722,891 thousand, a decrease of 7.24% YoY.

Summary	2Q24	1Q24	2Q/1Q	2Q23	Y/Y
Revenue (NT'000)	4,377,074	4,149,229	+5.49%	4,409,563	-0.74%
Gross Profit Margin%	35%	35%	-	35%	-
Operating Margin%	15%	15%	-	17%	-2%
EPS (NT$)	4.43	3.62	+0.81	4.93	-0.50

Sales Mix

Automotive sales showed steady growth, industrial sales were seasonally high, and sensor sales were conservative, with recovery expected in Q3.

- **AIoT / Industrial Control:** AIoT sales is growing alongside the overall economy, with recovery expected in the 2H; industrial sales entered its seasonal peak in Q2.
- **Sensors:** Shipments were slow in Q2, with recovery expected in Q3; the product mix focused on high-end wearable applications and mid- to low-end models; optimizing costs through supply chain adjustments.
- **Automotive:** Shipment momentum is stable, with an increasing automotive share driving up gross margins; new products are expected to contribute modestly to revenue in the 2H.

Product Line	2021	2022	2023	2Q22	3Q22	4Q22	1Q23	2Q23	3Q23	4Q23	1Q24	2Q24
AIoT	36%	36%	35%	32%	41%	36%	35%	37%	33%	33%	31%	**31%**
Industrial	14%	18%	14%	23%	16%	17%	16%	16%	14%	13%	12%	**17%**
Sensor	26%	22%	27%	24%	19%	21%	24%	25%	29%	30%	31%	**26%**
- Optical	90%	88%	88%	87%	90%	87%	89%	88%	88%	88%	92%	88%
- MEMS	10%	12%	12%	13%	10%	13%	11%	12%	12%	12%	8%	12%
Automotive	16%	16%	16%	13%	17%	19%	17%	15%	17%	16%	16%	**18%**
Others	8%	8%	8%	8%	7%	7%	8%	7%	7%	8%	10%	8%
Total	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%

Income Statement

NT$	2020	2021	2022	2023	1Q23	2Q23	3Q23	4Q23	1Q24	2Q24
Sales (000'NTD)	13,804,562	22,255,670	18,027,827	16,722,891	3,600,616	4,409,563	4,201,548	4,511,164	4,149,229	**4,377,074**
Gross Prof. Margin %	34%	56%	46%	34%	30%	35%	37%	34%	35%	**35%**
Opex to Sales %	18%	19%	19%	19%	20%	18%	20%	19%	20%	20%
Op. Margin %	17%	37%	27%	15%	10%	17%	17%	15%	15%	15%
Non-OP (000'NTD)	140,578	196,875	363,954	337,010	66,817	99,254	129,217	41,722	109,978	102,328
Tax* %	14%	15%	17%	15%	17%	14%	14%	16%	15%	13%
Net Income %**	10%	27%	20%	11%	8%	13%	13%	10%	10%	12%
EPS (NTD)	11.53	50.03	30.10	15.50	2.48	4.93	4.51	3.58	3.62	**4.43**

*Effective tax rate **attributed to the parent company

1H24 EPS 8.05

Inventory/AR/AP turnover

- Inventory/AR turnover remains healthy.
- Post pandemic, inventory reached its peak in 3Q 2022 and began to return to normal levels in 2Q 2023.

Turnover days	2020	2021	2022	2023	2Q22	3Q22	4Q22	1Q23	2Q23	3Q23	4Q23	1Q24	2Q24
Inventory	70	74	128	117	180	205	167	134	96	99	83	98	98
AR	37	27	32	31	37	35	33	30	28	32	31	35	34
AP	81	81	65	49	127	99	51	35	48	61	53	71	63

ESG Actions

- Published the latest sustainability report on our website, which has been assured by a third-party audit
- 2024 – Ranked 2023 TWSE Corporate Governance Evaluation Top 6~20% among all the listed companies.
- 2023 - Sitronix (parent company) has published GHG report and obtained external verification. Sitronix subsidiaries has completed the self-inventory.
- 2023 – Won TIRI Awards, Best IR company & officer.
- 2023 – Won IT Matters Awards, Best IT employer.
- 2023 - Included in Taiwan Index Plus multiple index, including sustainable, high dividend, and semiconductor index.
- 2023 - Established Risk management conference.
- 2022 - Established a Sustainability Committee under the BOD.
- 2022 – Completed the third-party assessment for the BOD performance.

Q&A

Thank You

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